

Agenda Item 10F

Resolution 04-10-05. Resolution Recommending to the Department of Water Resources that it Proceed with its 2004 Proposition 50 Water Use Efficiency Grant Proposal Solicitation Package, Consistent with the Stated Priorities, Solicitation and Evaluation Criteria and Process, and Schedule

Water Use Efficiency Proposal Solicitation Package

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Water Use Efficiency 2004 PSP

Background

- Eligible projects: Agricultural and urban water use efficiency projects that benefit the Bay-Delta system
- Funding split: 50% agricultural and 50% urban projects
 - Implementation Projects: 75% of funds
 - Research and Development: 25% of funds
- Eligible applicants: cities, counties, districts, tribes, non-profit organizations, watershed groups; universities, State, and federal agencies (R&D projects only). Private-undecided.

Background (cont.)

- Selection Criteria
 - Relevance and Importance
 - Technical/Scientific Merit, Feasibility
 - Monitoring and Assessment
 - Qualifications of the Applicants and Cooperators
 - Outreach, Community Involvement and Acceptance
 - Innovation
 - Costs and Benefits

Background (cont.)

- Draft PSP was submitted to the Authority on December 11, 2003
- Draft PSP was released to the public on December 12, 2003
- Public workshops were held on January 13 and 14, 2004
- Public and agency comments were incorporated in the Final PSP released on August 11, 2004
- Application deadline was set for October 12, 2004
- Public workshops were held on August 31, 2004
September 1, 2, 2004 to explain application process
and answer questions

Stakeholders

Comments/Recommendations

(August 2004)

1. Clarify WUE project benefits
2. Add Quantifiable Objectives to eligible projects
3. Net water savings should be only one of the benefits
4. Remove multiple benefit requirement
5. Remove Bay-Delta benefit requirement
6. Make statewide projects, regulatory, law, or contract-required projects and locally cost-effective projects eligible for grant funding

Stakeholders Comments ...(cont.)

7. Make cost-share formula equitable
8. Redesign and reduce complexity of the cost and benefit calculation
9. Involve stakeholders
10. Revise and reissue the PSP



DWR Response

- Met with the concerned stakeholders on September 10, 2004
- Briefed and received comments from BDPAC WUE Subcommittee on September 14, 2004
- Issued Press Release and extended the application deadline from October 12, 2004 to January 3, 2005
- Worked with the Authority staff preparing the Modified PSP to release for public comment on September 30, 2004.
- Submit the Modified PSP to the Authority and request for concurrence to proceed with completing and releasing the Final PSP by November 15, 2004 (tentative)

Modified PSP

1. WUE project benefits can be direct (contribute to Bay-Delta system) or indirect (reduce entity's dependency on the BDS)
2. Quantifiable Objectives were added
3. Net water savings is not a requirement
4. Multiple benefit is not a requirement
5. Bay-Delta system benefit is a requirement
6. Eligible Projects
 - **Implementation Projects from Bay-Delta or related watersheds**
 - **Locally cost-effective projects are eligible if they:**
 - **would provide broad transferable benefits, overcome implementation barriers, or accelerate implementation**
 - **Regulatory, law, contract-required projects are eligible if the project is not currently required to comply**
 - **Research and Development projects from throughout the State**

Modified PSP (cont.)

7. Cost share formula

- State cost share for Implementation Projects
 - Cost-share formula is based on the balance of the Bay-Delta system and local benefits
 - Locally not cost effective projects up to 100%
 - Locally cost effective projects:
 - Up to 25% of costs for a total of 10% of Implementation Project funds (=\$2.5 m)
- State cost share for disadvantaged communities projects 100%
- State cost share for R&D projects
 - Up to 100%

Modified PSP (cont.)

8. The cost and benefit calculations/reporting were modified
 - Qualitative description of benefits is required
 - Quantitative assessment of benefits is encouraged, if data is available
 - Projects with quantitative benefits will get higher score
 - Quantitative assessment of local monetary benefits is required
9. Involve stakeholders - Underway
10. Revise and reissue the PSP - Underway



Anticipated Next Steps

- Accept public comments on the Draft Modified PSP until October 29, 2004
- Prepare and release a final PSP by November 15, 2004 (tentative)
- Hold workshops to explain application process in December, 2004
- Receive applications, by January, 2005 (tentative)
- Prepare draft recommended projects, March, 2005
- Inform ACT of the draft recommendations, April, 2005

Anticipated Next Steps (cont.)

- Submit draft recommended projects to the Authority for concurrence, April, 2005
- Conduct public workshop to present draft recommendations, May, 2005
- Inform BDPAC of the draft recommendations, May, 2005
- DWR Director approves recommended projects, May, 2005
- Public notice of funded projects, May, 2005
- Execute contract, December, 2005

